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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
IN THE COURT OF APPEALS

APPEAL FROM HORRY COUNTY
COURT OF COMMON PLEAS
THE HONORABLE WILLIAM H. SEALS, JR., CIRCUIT COURT JUDGE

CASE NO. 2020-CP-26-05790
APPELLATE CASE NO. 2023-01499

Major Jason MacDonald.....Appellant,

v.

Horry County Schools..... Respondent

INITIAL BRIEF OF RESPONDENT

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STATEMENT OF ISSUES ON APPEAL

- I. Did the trial court err when it granted summary judgment in favor of Respondent on Appellant’s claim for defamation by concluding there was no actionable false or defamatory communication published through acts or conduct to a third party in an unprivileged manner?

- II. Did the trial court err when it granted summary judgment in favor of Respondent on Appellant’s cause of action for intentional interference with prospective contractual relations by applying a negligence theory of and by concluding there was no intentional act by Respondent done with an improper purpose or by an improper method that interfered with Appellant’s efforts to secure alternative employment?

STATEMENT OF THE CASE

The Appellant, a former employee of Respondent Horry County Schools (“HCS”), claims HCS defamed him and interfered with his ability to procure other employment. His Complaint stated four causes of action against HCS and certain of its employees in both their official and personal capacities: (1) intentional interference with contractual relations; (2) intentional interference with prospective contractual relations; (3) defamation; and (4) intentional infliction of emotional distress. When this case came before the lower court for a hearing on HCS’s motion for summary judgment, counsel for Appellant advised the court that Appellant was voluntarily dismissing the first cause of action for intentional interference with contractual relations as to all defendants and that he was voluntarily dismissing the second, third, and fourth causes of action as to all HCS employees named as defendants. Therefore, the only remaining causes of action for consideration by the court at the time of the summary judgment hearing were intentional interference with prospective contractual relations, defamation, and intentional infliction of emotional distress as to HCS only. The lower court granted summary judgment to HCS on these remaining claims. In this appeal, Appellant does not contest summary judgment to HCS on the cause of action for intentional infliction of emotional distress. Therefore, the issues on appeal are whether summary judgment was properly granted to HCS on the causes of action for intentional interference with prospective contractual relations and defamation.

STANDARD OF REVIEW

"When reviewing the grant of summary judgment, the appellate court applies the same standard applied by the trial court pursuant to Rule 56(c), SCRCP." *Fleming v. Rose* 350 S.C. 488, 493, 567 S.E.2d 857, 860 (2002). Summary judgment is proper if "the

pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue of material fact and that the moving party is entitled to a judgment as a matter of law." Rule 56(c), SCRPC. "In determining whether any triable issues of fact exist for summary judgment purposes, the evidence and all the inferences that can be reasonably drawn from the evidence must be viewed in the light most favorable to the nonmoving party." *Medical Univ. of S.C. v. Arnaud* , 360 S.C. 615, 619, 602 S.E.2d 747, 749 (2004). Our supreme court has established "[t]he plain language of Rule 56(c) mandates the entry of summary judgment ... against a party who fails to make a showing sufficient to establish the existence of an element essential to the party's case, and on which that party will bear the burden of proof." *Hansson v. Scalise Builders of S.C.* , 374 S.C. 352, 357-58, 650 S.E.2d 68, 71 (2007) (quoting *Baughman v. Amer. Tel. & Tel. Co.* , 306 S.C. 101, 116, 410 S.E.2d 537, 545-46 (1991)). *Lusk v Verderosa*, 431 S.C 1, 846 S.E.2d 596 (Ct. App. 2020).

FACTS

In August 2018, Appellant was hired by HCS for the position of Senior Instructor for JROTC at Aynor High School for the 2018-2019 school year. *See R.* pp____; Complaint, ¶ 15. Between November 29, 2018, and December 3, 2018, several of Appellant's female students made complaints that Appellant made sexually inappropriate comments and gestures to them. *See R.* pp____; Complaint, ¶ 19. On December 4, 2018, Appellant was placed on paid administrative leave with full pay and benefits. *R.*, pp._____ Complaint, ¶ 26. On or about April 30, 2019, Appellant received a letter from the HCS school superintendent informing Appellant that he had decided to recommend that the school board not renew his contract for the 2019-2020 school year.

R., pp._____ Complaint, ¶ 28. On May 19, 2019, Appellant, through his attorney, submitted a request to be heard before the school board to appeal the decision of the superintendent. *Id.* He appeared before the school board on August 17, 2020. R., pp._____ Complaint, ¶ 30. On or about August 26, 2020, he received a letter regarding the board’s decision, indicating that the “Board found insufficient evidence to support the students’ allegations. However, the Board decided that it is not in District’s best interest for Appellant to be re-employed.” R., pp._____ Complaint, ¶ 33.

While the process of his suspension and termination was taking place, Appellant began looking for other employment. In August 2019, he applied for a job as senior JROTC Instructor at Hannah-Pamlico High School which is in Florence School District No. 2. R., pp._____ Complaint, ¶ 40. He alleges he was offered the position subject to receiving a neutral reference from HC .even after explaining he was on administrative leave, ¶ 40 and footnote 1. The superintendent of Florence School District 2 HCS requested that reference from the superintendent of HCS who never responded. *Id.*

In this action, Appellant asserts a cause of action for intentional interference with prospective contractual relations based upon the inactions of the HCS superintendent in not responding to the requests for a neutral job reference from Florence School District 2. R. pp._____, Complaint ¶¶ 35, 44, and 56 – 63. He also seeks damages for defamation based upon the acts and conduct of HCS throughout the process of his suspension, termination, and appeal, including being placed on administrative leave, an alleged improper and untimely investigation of the claims made against him by the female students, his termination, and the amount of time it took for the school board to hear his appeal, all of which he alleges gave the clear impression to his former students, colleagues, and the

community that he had done something wrong of a sexual nature with female high school students. R. pp_____ Complaint ¶¶ 67 – 68.

ARGUMENT

I. The trial court properly granted summary judgment to respondent on the cause of action for defamation because there was no actionable false or defamatory communication published to a third party in an unprivileged manner through acts or conduct.

To recover for defamation, Appellant must prove: (1) a false and defamatory statement was made; (2) the unprivileged publication was made to a third party; (3) the publisher was at fault; and (4) either actionability of the statement irrespective of special harm or the existence of special harm caused by the publication. *Holtzscheiter v Thomson Newspapers, Inc.*, 332 S.C. 502, 518, 506 S.E.2d 497, 506 (1998); *Erickson v. Jones Street Publishers, LLC*, 368 S.C. 444, 465, 629 S.E.2d 653, 664 (2006). *See also, Fleming v. Rose*, 338 S.C. 524, 526 S.E.2d 732 (Ct.App.2000).

“The tort of defamation allows a plaintiff to recover for injury to his or her reputation as the result of the defendant's communications to others of a false message about the plaintiff. *Swinton Creek Nursery v. Edisto Farm Credit*, 334 S.C. 469, 514 S.E.2d 126 (1999). The focus of defamation is not on the hurt to the defamed party's feelings, but on the injury to his reputation. *See Wardlaw v. Peck*, 282 S.C. 199, 318 S.E.2d 270 (Ct.App.1984).” *Fleming v Rose, supra*.

Appellant concedes a defamatory statement is usually associated with spoken or written words. *See*, Appellant's Brief, page 17. However, the basis of the defamation claim in this case are actions and conduct of HCS, not words. Respondent concedes “a defamatory insinuation may be made by actions or conduct as well as by word.” *Eubanks*

v Smith, 292 S.C. 57, 354 S.E.2d 898 (1987); *Tyler v Mack Stores*, 275 S.C. 456, 272 S.E.2d 633 (1980). “To render the defamatory statement actionable, it is not necessary that the false charge be made in a direct, open and positive manner. A mere insinuation is as actionable as a positive assertion if it is false and malicious and the meaning is plain. *Timmons v. News and Press, Inc.*, 232 S.C. 639 at 644, 103 S.E.2d 277 at 280.” *Tyler*, 272 S.E.2d at 634.

It is the trial court’s function to determine initially whether a statement is susceptible of having a defamatory meaning. *Fleming v Rose*, 338 S.C. 524, 533-34, 526 S.E.2d 732, 737 (Ct. App. 2000); *White v Wilkerson*, 328 S.C. 179, 493 S.E.2d 345 (1997). “Words not actionable by their plain and ordinary meaning cannot be made so by innuendo [citations omitted].” *Drakeford v Dixie Home Stores*, 233 S.C. 519, 525 105 S.E.2d 711(1958). A true statement cannot be defamatory. *Ross v Columbia Newspapers, Inc.*, 266 S.C. 75, 221 S.E.2d 770 (1976).

It is true that Appellant was placed on administrative leave, investigated, and terminated. These were the only acts or conduct of Respondent. Truth is an absolute defense. *Ross, supra*. (substantially true is sufficient). This court’s inquiry may end here based on truth.

These are also common employment practices and are not susceptible of having a defamatory meaning. In *Nestler v Scarabelli*, 77 Va. App. 440, 886 S.E.2d 301 (Va. App. 2023) the words ‘Dr. Sacarbelli was placed on administrative leave’ were true and not capable of defamatory meaning. In *Fountain v First Reliance Bank*, 398 S.C. 434, 730 S.E.2d 305 (2012) a bank officer’s statement to Fountains’ business partner that the bank would not loan money to the business if Fountain was involved was not defamatory

because it was true. This court's inquiry may also end here based on lack of defamatory meaning.

However, Respondent contends the way in which HCS placed him on administrative leave, investigated him, and terminated him created an insinuation or impression to his former students, colleagues, and the community that he had behaved in a sexually inappropriate manner around female high school students. This is not a reasonable construction of the acts or conduct of Respondent under the facts of this case. There are many reasons why an employee can be suspended, investigated, and terminated. Anyone who became aware that Appellant was suspended, investigated, and terminated could freely speculate about the reasons why, and those would be purely conjectural interpretations.

In *Fountain, supra*, Fountain argued the true statement that the bank would not make a loan to a business in which he was involved insinuated he was an unfit businessman. The court held this was not a reasonable construction of the statement made fell short of establishing an implied defamatory meaning. 398 S.C. at 443.

In *Phelan v May Dep't Stores Co.*, 443 Mass. 52, 819 N.E.2d 550 (2004), an employer was investigating an employee for accounting discrepancies. During the day of the investigation, the employee was not allowed to leave the building, was not allowed to use the telephone, and was accompanied at all times by a security guard. He sued his employer for defamation. The Massachusetts supreme court held that even viewing the evidence in the light most favorable to the employee, the employer's conduct was ambiguous and open to various interpretations. The presence of the security guard did not have a specific, obvious meaning and did not necessarily convey that the employee was

engaged in criminal wrongdoing. There was no chasing, grabbing, restraining, or searching that could have conveyed a more clear and common understanding of wrongdoing.

Since the conduct or action of suspension, investigation, and termination of an employee is not defamatory by its plain and ordinary meaning. It cannot be made so by innuendo. *Drakeford, supra*. Even if it can, the statement must be published to third parties which it was not.

“The publication of defamatory matter is its communication, intentionally or by a negligent act, to a third party—someone other than the person defamed.” *Holtzscheiter*, 322 S.C. 520. “No matter what a person may write, if it is not published, there is of course no liability, since no one is injured.” *Carver v. Morrow*, 213 S.C. 199, 202, 48 S.E.2d 814, 816 (1948). *See also, Williams v Lancaster County School Dist.*, 369 S.C. 293, 631 S.E.2d 286 (Ct. App. 2006); *Kendrick v Citizens and Southern Nat’l Bank*, 266 S.C. 450, 223 S.E.2d 866 (1976).

Appellant has not offered any evidence or produced any witnesses to show that Respondent published to anyone in an unprivileged manner that he has been suspended, investigated, and terminated, much less the reasons why. The Appellant has offered is his own deposition testimony that he believes third parties were aware and drew defamatory inferences or innuendos. Appellant testified he is unaware of anyone who has heard the allegations made by the female students and believed them to be true. R., P. _____ (deposition of Jason MacDonald, page 117, lines 19-25). He believes his reputation has been damaged based on what his children are being asked at school and by feeling shunned by his fellow church members. R., P. _____ (deposition of Jason

MacDonald, page 118, line 7 – page 199, line 17). This is not publication by Respondent. He also contends that his fellow teacher told students that law enforcement would be involved. The record does not support this contention, but even if it does a teacher is not a spokesperson for Respondent on the issue. *See, King v Charleston County School District*, 664 F. Supp. 2d 571 (D.S.C. 2009) (school psychologist did not have authority to speak for the district).

In *Phelan, supra*, the employee presented no evidence to show that a reasonable third person observing the guard's conduct would have understood it to be defamatory. The employee was required to present testimony by at least one co-worker to support his claim, and he failed to do so. The employee's own belief that others viewed him in a defamatory light, without more, was insufficient to establish defamatory publication. To satisfy his burden of proof, the employee needed to present testimony from at least one coworker who observed the security guard's actions and interpreted such actions as defamatory. The court's inquiry may end here based on lack of publication.

The only communications made by Respondent about the claims made by the female students were within the school district to Appellant's up the chain of command, to human resources personnel with the school district, and to school board. These communications were privileged.

The South Carolina Supreme Court recognized a qualified privilege attached to communications between an employer and employee when the occasion was a bona fide inquiry by the employer into alleged misconduct of the employee. *Bell v. Bank of Abbeville*, 211 S.C. 167, 44 S.E.2d 328 (1947).” *Wright v Sparrow*, 298 S.C. 469, 381 S.E.2d 503, 506-507 (Ct. App. 1989). “Communications between officers and employees

of a corporation are qualifiedly privileged if made in good faith and in the usual course of business. *Conwell v. Spur Oil Co.*, 240 S.C. 170, 125 S.E.2d 270 (1962).” *Murray v Holnam*, 344 S.C. 129, 542 S.E.2d 743 (Ct. App. 2001).

In *Wright, supra*. plaintiff alleged her supervisor published false words implying that she was unfit for work in her chosen field. For purposes of summary judgment, the supervisor agreed the court should assume the falsity of that statement but contended it was privileged because the statements were made as part of the employee’s job performance evaluation and discussed only with the board and personnel director of the agency by which supervisor and employee were employed. “[T]he underlying situation concerns an employee and her supervisor. There is a basis for applying a qualified privilege to situations in which an employee's job performance is properly evaluated. The South Carolina Supreme Court recognized a qualified privilege attached to communications between an employer and employee when the occasion was a bona fide inquiry by the employer into alleged misconduct of the employee. *Bell v. Bank of Abbeville*, 211 S.C. 167, 44 S.E.2d 328 (1947). We agree with the trial court that on the facts of this record Mr. Sparrow established a qualified privilege and Mrs. Wright failed to establish a genuine issue of material fact as to actual malice. See *Moody v. McLellan*, 295 S.C. 157, 367 S.E.2d 449 (Ct.App.1988).” *Id.* at 507.

Linking the way Appellant was suspended, investigated, and terminated to a conclusion that he directed inappropriate sexual comments and gestures to the female students is unreasonable and speculative as a matter of law, so it is not defamation. Moreover, there was no publication but if there was the publication was privileged. The

only persons who may have defamed Appellant were the female students who made the claims of sexually inappropriate comments and gestures.

II. The trial court properly applied a negligence theory of duty to the cause of action for intentional interference with prospective contractual relations and properly concluded there was no intentional act by Respondent done with an improper purpose or by an improper method that interfered with Appellant's efforts to secure alternative employment.

South Carolina recognized the tort of intentional interference with prospective contractual relations in *Crandall Corp. v. Navistar Int'l Transp. Corp.*, 302 S.C. 265, 395 S.E.2d 179 (1990). The elements of the cause of action are (1) the intentional interference with the plaintiff's potential contractual relations, (2) for an improper purpose or by improper methods, and (3) causing injury to the plaintiff. *See also, Eldeco, Inc. v. Charleston County School District*, 372 S.C. 470, 642 S.E.2d 726, 731 (2007); *Love v. Gamble*, 316 S.C. 203, 214, 448 S.E.2d 876, 882 (Ct.App.1994); *United Educational Distributors v Educational Testing Services*, 305 S.C. 7, 564 S.E.2d 324 (Ct App. 2002).

Respondent concedes that the superintendent of Florence 2 contacted the superintendent of HCS and requested a neutral job reference for Appellant. Respondent also concedes the superintendent of HCS did not respond. The inquiry was met with silence. However, silence does not give rise to a cause of action for intentional interference with prospective contractual relations. Before discussing the elements of the cause of action, Respondent will address Appellant's assertion in his brief that the concept of duty is not relevant to intentional torts and applies only to negligence cases.

1. Concept of duty

The trial judge found that the superintendent of HCS was not under a duty to respond to the request for a job reference and there are no allegations of such duty alleged

in the complaint. The concept of duty does have relevance to certain causes of action not sounding in negligence. For example, in the context of fraud, silence is fraudulent when there is a duty to speak. *See*, F.P. Hubbard & R.L. Felix, *The South Carolina Law of Torts*, pp. 353-354 (3rd Ed., 2004). *Jacobson v Yaschik*, 249 S.C. 577, 155 S.E.2d 601 (1967) (officers and directors of corporation have a duty to disclose all relevant facts when purchasing stock from shareholders); *Pitts v Jackson Nat'l Life Ins. Co.*, 352 S.C. 319, 574 S.E.2d 502 (Ct. App. 2002) (insured has no duty to advise insured of available cheaper policy when application was made). Contractual relations create a duty of good faith and fair dealing, i.e. a duty of care for the interest of another. A duty to disclose exists in fiduciary relationships, where a party is aware he knows material facts that cannot be discovered by the other party, or where fair dealing would require disclosure. *See*, F.P. Hubbard & R.L. Felix, *The South Carolina Law of Torts*, p. 93., n. 317 and pp. 353 -354 (3rd Ed., 2004).

Thus, the concept of duty cannot be isolated from the intentional tort of intentional interference with prospective contractual relations and the trial judge did not err in concluding Respondent had no duty to provide a job reference for Appellant. Even if the trial judge erred, however, an analysis of the elements of the cause of action shows that Appellant failed to present sufficient evidence to survive summary judgment.

2. Intentional interference with prospective contractual relations

a. Prospective contract

“The plaintiff must demonstrate that he had a truly prospective or potential contract with a third party; that the agreement was a close certainty; and that the contract was not speculative.” *United Educational Distributors Services*, 305 S.C. at 17, 564

S.E.2d at 328; *Santoro v Schulthess*, 384 S.C. 250, 681 S.E.2d 897 (Ct. App. 2009). Appellant maintains the only thing standing between him and the job at Florence School District no 2 was a reference from HCS.

Neal Vincent, superintendent of Florence School District No. 2, was asked if Appellant would have been hired if HCS had provided a neutral reference. His response was “[w]ell we’re speculating here.” R. p.____ (Memorandum in Opposition to Motion for Summary Judgment, Exhibit J., p. 18, lines 18-21).

Even if there was a prospective contract, there is no evidence HCS intentionally interfered with it.

b. Intentional interference

The tort of intentional interference with prospective contractual relations is based upon an intentional act. “[I]nterference with the other’s prospective contractual relation is intentional if the actor desires to bring it about or he knows that the interference is certain or substantially certain to occur as a result of his action.” Restatement (Second) of Torts § 766B cmt. d (Am. Law Inst. 1979) (stating that the standard for intent) (emphasis added); *see also Crandall Corp supra*, (adopting the Restatement 29 Second of Torts § 766B).

In the context of negligence, Professors Hubbard and Felix instruct that negligence is:

The omission to do something that a reasonable and prudent man...would do...or doing something which a reasonable and prudent man would not do...

F.P. Hubbard & R.L. Felix, *The South Carolina Law of Torts* (4th Ed., 2011) at 65, *citing Bridger v Asheville & Spartanburg R.R.*, 25 S.C. 24, 28 (1886). “Negligence may consist

of an act or an omission. Failure to act is not an act.” *Flynn v North Carolina State Highway and Public Works Commission*, 244 N.C. 617, 94 S.E.2d 571, 573 (N.C. 1956).

In a cause of action for inverse condemnation, allegations of mere failure to act are insufficient to prove a positive, aggressive act. *Hawkins v City of Greenville*, 358 S.C. 280, 594 S.E.2d 557 (Ct. App. 2007).

The South Carolina Tort Claims Act, S.C. Code Ann. 15-78-10, et seq. (2022 Supp.) recognizes that an omission and an act are different. The snow and ice immunity at §15-78-60(8) speaks only of “acts.” Other sections of the Tort Claims Act speak specifically in terms of “acts or omissions.” See, §15-78-60(20) (act or omission of a person other than an employee); §15-78-60(29) (acts or omissions of members of athletic commissions); §15-78-60(30) (acts or omissions of local foster care review boards); §15-78-60(31) (acts or omissions of employees and volunteers of the S.C. Protection and Advocacy System for the Handicapped); §15-78-60(36) (acts or omission of state constables).

Here, there was no intentional, positive, affirmative act. There was only inaction, i.e. failure to respond to a request for a job reference with no duty to do so. The decision to *not* act is not equivalent to an affirmative act of intentional interference. Appellant’s assertion that HCS’s choice to be silent on the issue resulted in a negative inference by Florence 2 is insufficient to sustain a claim that HCS *intentionally* interfered with Appellant’s prospective contractual relations with Florence School District No. 2.

However, even if there was truly a prospective or potential employment contract with Florence School District No. 2 that HCS intentionally interfered with, there is no evidence of improper method or purpose utilized by HCS.

c. Improper method or purpose

The method of the alleged intentional interference with prospective employment contract was silence. Nothing was said that was not true. Nothing was misrepresented or unfair. No confidence was violated. Nothing was illegal or unethical. Silence is often the method response to requested job references in the minefield of job-reference litigation.

There is no evidence that the purpose of the silence upon advice of counsel was to prevent Appellant from getting the job with Florence School District 2. Pursuit of one's legal rights is not an improper method. "Generally, there can be no finding of intentional interference with prospective contractual relations if there is no evidence to suggest any purpose or motive by the defendant other than the proper pursuit of [his or her] own contractual rights with a third party." *Eldeco, Inc. v. Charleston County Sch. Dist.*, 372 S.C. 470, 482, 642 S.E.2d 726, 732 (2007) (quoting *S. Contracting, Inc. v. H.C. Brown Constr. Co.*, 317 S.C. 95, 102, 450 S.E.2d 602, 606 (Ct.App.1994)). *Santoro v Schulthess, supra*. Protection of one's legal rights is a proper purpose also. The purpose was to protect HCS from potential exposure to liability in the minefield of job-reference litigation.

Employers are provided statutory immunity from civil liability for disclosure of "an employee's or former employee's dates of employment, pay level, and wage history to a prospective employer.". S.C. Code of Laws Ann. §41-1-65(B) (2021). The intent of the general assembly in enacting this statute was to give employers a safe harbor when providing employment references. *See, Employment Law: Employer Immunity for Employment References: Maybe, Maybe Not*, 49 S.C. L. Rev. 1171. It would violate the

spirit of the statute to allow civil liability for choosing to *not* give a job reference as Respondent did here.

CONCLUSION

The way in which Respondent suspended, investigated, and terminated Appellant does not lead to a reasonable and obvious conclusion that he must have done what the female students claimed he did. Moreover, Appellant has failed to identify any evidence that a third person reached that conclusion.

Appellant's prospective employment contract with Florence School District 2 was speculative at best. Failure to respond to a job reference when there is no duty to do and upon the advice of counsel was not intentional interference with the prospective contract. Silence to try to avoid potential litigation is not an improper method of response, and there is no evidence that the purpose of the silence was to prevent Appellant from getting the job.

For the reasons set forth more fully above, this court should find that the circuit court properly dismissed Appellant's Plaintiff's claims against Respondent pursuant to Rule 56, SCRCR and affirm the circuit court's Order granting Respondent's motion for summary judgment in this matter.

Respectfully submitted.

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